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SECTION D
Sunday Standard-Times

BUSINESS

APRIL 17, 2005

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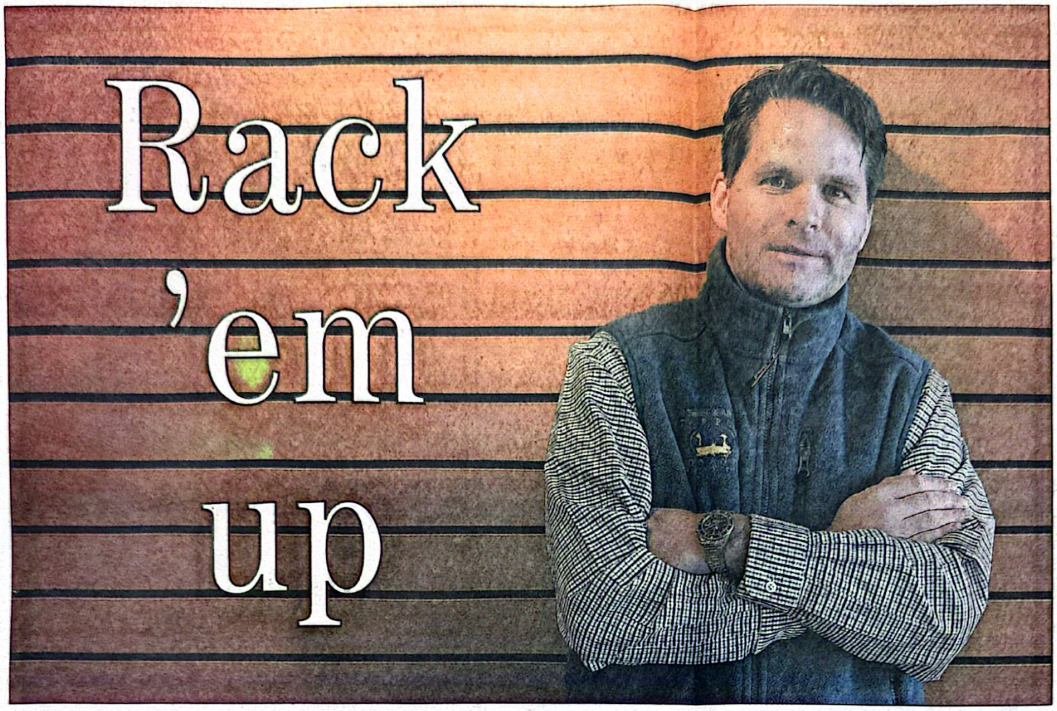
Rack 'em up



PETER PEREIRA/The Standard-Times

Alex Allen is President and CEO of Allen Racks, which maintains its corporate headquarters in Marion. Among the products produced at the company's factory in China are bicycle carriers for automobiles and industrial grade bicycle parking racks, below.

Marion firm descended from original bicycle rack for cars

By CURT BROWN
Standard-Times staff writer

It started as a brainstorm and a collection of bent pipes in a garage in Lincoln, Mass. It has expanded into a worldwide business with its manufacturing operation in China, warehouses in Virginia and Arizona and corporate headquarters in Marion.

Back in the '60s, Richard Allen was looking for a way to attach his bicycles to the back of his Volkswagen Beetle for weekend excursions to Cape Cod. His pipe bending efforts yielded the first auto-mounted bicycle rack and a successful business — Allen Racks.

Today, Allen Racks is the designer and manufacturer of nearly two dozen trunk, hitch, and spare tire racks, plus parking and storage equipment. In addition to these personal consumer racks, the company produces six connectable industrial grade parking racks with storage capacities that range from four to 16 bikes. New this year are folding garage mounts.

When Richard Allen started the business in 1967, he loaded his VW with the newly designed racks and sold them directly to retailers.

He retired in 2000, but still does some product development consulting for the company, which is run by his son, Alex.

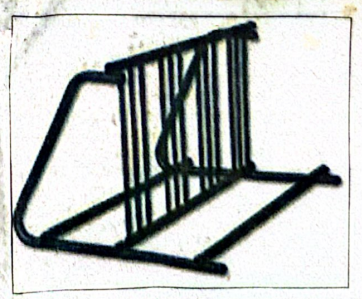
The company's target audience is "The recreational cyclist, ... the family going to the Cape or the mountains for the weekend, ... someone who doesn't want to spend as much on their bike rack as they did on their bike."

ALEX ALLEN, president and CEO of Allen Racks

The firm's chief executive officer and president resides in SouthCoast with his wife, Andrea Allen, who brings her mass merchandising experience to the company. Mr. Allen, 36, has an undergraduate degree in economics and an MBA from Boston College.

Allen Racks called Lincoln home for more than 30 years before moving to Hathaway Mills in New Bedford in 2003 when the firm realized it needed more space.

See ALLEN D2



Pay for CEOs is soaring

Total compensation averages $9.97 million

By ADAM GELLER
Associated Press writer

CEO pay is climbing again, rewarding top executives with the biggest gains many have seen since the stock market bubble.

The executives piloting U.S. companies pocketed substantially more in 2004 than in the previous two years. Those gains come even as more corporate boards — responding to sustained criticism about excessive pay — rethink the way they award compensation, trying to more closely tie CEO pay to performance.

Chief executives' pay increased by an average of 12.6 percent last year, according to an analysis of nearly 180 corporate proxy statements by compensation consulting firm Pearl Meyer & Partners. That figure does not include the profits many CEOs reaped by exercising stock options.

"The primary argument against reform (in CEO pay) has always been we need to attract, retain and motivate these guys. One always wonders why they require quite that much motivation."

ROSANNA LANDIS WEAVER, analyst for the Investor Responsibility Research Center

The jump in pay takes the average CEO's compensation to $9.97 million, resuming a long-running rise in pay after two years of little movement.

But that overall figure pales compared to the pay netted by individual CEOs. Directors at Merrill Lynch awarded chief E. Stanley O'Neal with $31.3 million worth of restricted stock. At Wells Fargo & Co., CEO Richard M. Kovacevich pocketed stock options valued by the company at $20.4 million, on top of a $7.5 million bonus.

The surge in what for many CEOs were already huge pay packages, contrasts sharply with an overall slowing in pay for rank-and-file workers. In the past year, the pay of the average U.S. worker rose by just 2.6 percent, an increase more than offset by inflation.

The increase in CEO pay is rekindling debate in corporate governance circles. The argument focuses not just on how much CEOs deserve, but also the extent to which boards of directors control compensation and whether they're doing enough to

See CEO D5

Gillette, ranked at 215 on this year's Fortune 500 list, is expected to drop off next year's list because of its pending $57 billion acquisition by Cincinnati-based Procter & Gamble Co. The state lost three companies on this year's

State losing biggest firms

By MARK JEWELL
Associated Press writer

BOSTON — With Massachusetts losing some of its signature companies to out-of-state buyers, the Bay State is solidifying its reputation as a safe harbor for smaller technology-oriented firms but a backwater for corporate heavyweights.

The toll from mergers and acquisitions completed last year is easy to see in this month's release of Fortune magazine's annual list and just 11 this year.

A state with no shortage of clout in the financial services and health care industries boasts only one company in Fortune's top 100: No. 83 MassMutual Financial Group, a Springfield-based insurer with $23.2 billion in revenue and 27,000 employees, 5,000 of them in the 154-year-old company's home state.

Gillette Co. is expected to drop off next year's list after its pending $57 billion acquisition by

them at Gillette's corporate headquarters in Boston's Back Bay neighborhood.

The Gillette-P&G deal was especially painful coming on the heels of last year's out-of-state buyouts of John Hancock Financial Services and FleetBoston Financial Corp. — Massachusetts' two biggest dropouts from this year's Fortune 500 list.

The string of buyouts is "a wakeup call," said William Guenther, president of Boston-based

Allen: Firm descended from original bicycle rack for cars

CONTINUED FROM D1

The company remained in the city's South End for a year and a half before deciding it was necessary to move its manufacturing operations to China to remain competitive.

The corporate offices of the privately held company were moved to Marion in 2004.

On the firm's web site — www.allenracks.com, updated and launched in February — Mr. Allen states the company's commitment to quality.

"Ever since Dick Allen started making rear mounted bicycle carriers in his garage in Lincoln, Massachusetts, in 1967, our company has been committed to producing the highest quality, easiest to use racks on the market," he said.

"At Allen, our goal is to design and manufacture the finest bicycle carrying, parking and storage racks available," he said.

He said his company produces quality and versatile products and offers value and a lifetime guarantee.

"If one of our products fails to function properly due to defect in materials or workmanship over the lifetime of the original purchaser, return the product and we will repair it or replace it free of charge."

Mr. Allen said the company's target audience is "The recreational cyclist, ... the family going to the Cape or the mountains for the weekend. That's where we have always had our niche, someone who doesn't want to spend as much on their bike rack as they did on their bike."

While Allen Racks also produces industrial grade bicycle racks for corporate and municipal clients, and lightweight garage storage racks, its principal product continues to be bicycle racks for cars.

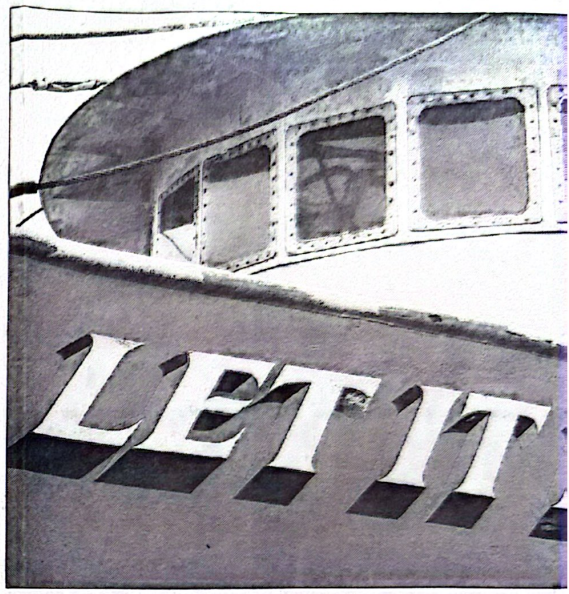
"That's the largest segment of our business," Mr. Allen said. "Different styles for tastes and vehicles — people like to have choices."

Allen Racks are sold worldwide. Currently, the firm has distribution agreements in Australia, Hong Kong, Singapore, England, Europe, China, South America, Denmark, the Middle East and Canada.

Allen Racks' clients include Sports Authority, Dick's Sporting Goods, major merchandisers and industrial bicycle dealers.

In Southeastern Massachusetts, Allen Racks are available at Yester' Year Cyclery in New Bedford, Crosby Cycle in Fall River, Bike Works in Swansea, Union Cycle in Attleboro and East Providence Cycle in North Attleboro.

RIDE THE WAVES



John Oliveira paints under the cabin roof overhang aboard the while docked at Fisherman's Wharf in New Bedford Harbor.

HEARD ON THE STREET

Slade's Ferry Bank adds drive-up ATMs

Customers of Slade's Ferry Bank can now conduct transactions with out ever having to leave their car with the addition of three new drive-up ATMs (automated teller machines.)

"Convenience is a very important factor for a pleasantly different banking experience," said President and CEO Mary Lynn D. Lenz. "We've installed these drive-up ATMs to better accommodate customers by offering alternative means to conduct your banking business."

The drive-up ATMs are located at the Assonet (58 South Main Street), Fairhaven (75 Huttleston Avenue), and Somerset (100 Slade's Ferry Avenue) branches. All three machines are full-service ATMs, capable of handling deposits, transfers, account inquiries and withdrawals.

Slade's Ferry Bancorp has more than $545 million in assets and 10 retail branches in Assonet, Fairhaven, Fall River, New Bedford, Seekonk, Somerset and Swansea.

Alperts named 2005 Retailer of the Year

Alperts Furniture of Seekonk has been selected as National Home Furnishings Association's (NHFA) 2005 Retailer of the Year, the highest honor for a member of the 85-year-old trade organization.

NHFA president Jerry Baer said, Morse, Barnes-Brown & Pendelton, P.C. will present a choice of two workshops — sexual harassment or employee handbooks — from 9-10 a.m.

Call Sallie LeBert at (508) 984-1199 for further details.

Non-members are welcome to attend.

Business workshop scheduled at BCC

The Massachusetts Small Business Development Center Network (MSBDC) is co-sponsoring an interactive workshop, "Work Smarter, Not Harder," at 8 a.m. Monday, April 25 at Bristol Community College.

The workshop will be presented by Marcella Nelson, a principal and founder of Breakthrough Coaching and Consulting, which provides business and career coaching, organizational consulting, and training services to corporate and individual clients. Throughout her 20 year career, Marcella has worked with leaders, teams, and professionals to remove barriers to success and accelerate the achievement of business and career goals.

The cost of the workshop is $35 per person (including continental breakfast). The workshop will be held at Bristol Community College, Commonwealth Center, Building G, Staff Faculty Lounge.

For reservations and directions, call Rose Paquette at (508)

Fortune 500: State losing big

CONTINUED FROM D1

consulting firm.

"We suffer from complacency here, and assume that our past successes are an indicator of our future performance," Guenther said.

He noted Massachusetts fares better than nearly all other states in emerging technologies and high-wage fields such as health care and financial services. But he warned that further losses of longtime local corporations could undercut the state's prestige, making it more difficult to attract new business.

"It raises an interesting challenge for the marketing of the state," said "Obviously, the visibility of a corporate headquarters provides a brand identity for us."

The effects are felt in more than just the business world. The departures of corporate executives whose firms are acquired by out-of-state companies means there are fewer civic leaders here to be involved in education, social services and other quality-of-life activities to improve a community — and have the money to back it up with some investments.

"Small, hungry entrepreneurs at startup companies aren't ideal for playing civic leadership roles," said Edward Glaeser, a Harvard University economist and director of the Rappaport Institute for Greater Boston.

Ranch Kimball, the state's secretary of economic development, said the recent loss of big corporations is a concern, but that the news is not all bad.

He stressed a few recent acquisitions by Massachusetts companies – deals that are smaller in scale than the recent buyouts of local companies and didn't get as much media attention. For example, Hopkinton-based computer storage firm EMC Corp. — No. 266 in the Fortune 500 — announced a $260 million deal to buy Smarts Inc. in December, and a year earlier paid $635 million to buy VMware Inc.

Kimball also cited the state's prominence in emerging fields such as nanotechnology and biotechnology — industries that aren't sufficiently mature to support huge companies, but offer big growth prospects.

Still, communities need a corporate mix of big and small, old and new to thrive. Fleet, the region's dominant bank with local roots dating to the 1700s, ranked No. 140 on the Fortune 500 before its acquisition last spring by Charlotte, N.C.-based Bank of America. John Hancock, one of the oldest names in insurance and financial services, was No.

BUSINESS NEWSMAKERS

Michael Clark, P.E., an associate at Norfolk Ram Group LLC, a civil and environmental engineering firm, has earned his Certified Professional in Erosion Control and Sedimentation certification.

A native of New Bedford, Massachusetts, and current resident of Scituate, Mr. Clark has been a member of the Norfolk team for over three years. ...ion remediation firm Norfolk has offices in Plymouth and Milford, Massachusetts. To learn more about the services Norfolk provides, call (508) 747-7900, or visit www.norfolkram.com.

□

Michael Marcoux and **Agusta Pratt** have joined UMass Dartmouth's Center for Business Research as graduate research associates. Both are graduates of ...

$100 million for education, arts, and other public and private non-profit organizations.

"I am excited to be joining UMass Dartmouth on its upward trajectory," Mr. Wolfman said. "This is a tremendous opportunity to be part of a dynamic university that is embedded in an exciting, growing region of Massachusetts."

Mr. Wolfman's accomplishments at UMass Amherst over